HMA & ASSOCIATES
Chartered Accountants

Head Off.: 1, Runwal Pratishtha, 1202/27, Shivajinagar, Apte Road, Behind Santosh Bakery, Pune 411 004.
■ Telefax : +91 20 2553 6110 ■ Email : ho@hmaca.in ■ **www.hmaca.in**
■ **Branch Offices :** PUNE, THANE

Independent Auditor's Report

To,

The Members of Ishanya Brand Services Limited

Report on the audit of the Ind AS financial statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of Ishanya Brand Services Limited (**"*the Company*"**) which comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at March 31, 2021, and loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

HMA ASSOCIATES ★ PUNE ★ Chartered Accountants

Emphasis of Matter

In our opinion, there is no such matter which we need to emphasize in our Audit Report..

Information other than the Ind AS financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Ind AS financial statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Ind AS financial statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to

events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements:

1. Companies (Auditor's Report) Order 2016, issued by Central Government of India in terms of sub section (11) of the Section 143 of the Companies Act, 2013 is applicable to the company. We are giving in Annexure a statement on the matters specified in paragraph 3 & 4 of the Order to the extent possible in **Annexure 1.**

2. As required by Section 143(3) of the Act, we report that:
   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and Statement of changes in equity dealt with by this Report are in agreement with the books of accounts.

d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

e. On the basis of the written representations received from the directors as on 31st March 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure 2**.

g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- The Company do not have any pending litigations.
- The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For HMA & Associates
Chartered Accountants
FRN – 100537W

HMA & ASSOCIATES ★ PUNE ★ Chartered Accountants

CA Anand D. Joshi
Partner
Membership No. – 113805
UDIN : - 21113805AAAAGM8822

Place : - Pune
Date : - 20th May 2021

ANNEXURE 1

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

on the Standalone Ind AS Financial Statements for the year ended 31st March 2021

As per Companies (Auditor's Report) Order, 2016 dt.29th March 2016. Referred to in Paragraph 1 under the heading of "Report on other legal & regulatory requirements" of our report of even date.

Re: -Ishanya Brand Services Limited for the F.Y. 2020-21

1. **Fixed assets** –

The Company does not have any fixed assets. As such, our comments on the following matters are not attracted –

- The Company has maintained proper record showing full particulars including quantitative details and situation of fixed assets.
- The management has a regular program of physical verification at the end of the year, has physically verified the fixed assets and we have been informed that no material discrepancies were noticed on such verification as compared to book records.
- The title deeds of immovable properties of Company are held in the name of the company.

2. **Inventory** –

- The inventory has been physically verified during the year by the management. In our opinion the frequency of verification is reasonable.
- The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to size of Company & nature of its business.
- The Company is maintaining proper records of the inventory. The discrepancies noticed on verification between physical stock & book records were not material as reported by the management and the same have been properly dealt with in the books of accounts.

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3. **Loans granted**–

Company has not granted any secured or unsecured loans to Companies, firms, Limited Liability partnerships or other parties listed in the register-maintained u/s 189 of Companies Act 2013. Hence our comments on following matters are not attracted –

- Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest.
- Whether the schedule of repayment of principal and payment of interest has been stipulated and
- Whether the repayments or receipts are regular.

4. **Loans, Investment, Guarantees & Security** –

- Company has not granted any loans or given guarantees – directly or indirectly - to Directors or any other person in whom Directors are interested in contravention of Section 185 and section 186 of Companies Act 2013.
- Company has not granted any loan or given guarantee or made investment or provided security in contravention of Section 186 of Companies Act 2013.

5. **Deposits**–

- The Company has not accepted any deposits. Hence our comments on compliance of the directives of Reserve Bank of India, provisions of Sec.73 to 76 or any other relevant provisions of the Companies Act 2013 & the rules framed there under are not required.
- The nature of contravention - not applicable.
- No order has been passed by Company Law Board, or National Company Law Tribunal or Reserve Bank of India or any court or any other Tribunal requiring any compliance.

6. **Cost records**–

The Company is not required to maintain cost records pursuant to Section 148(1) of the Companies Act, 2013.

7. **Statutory dues** –

- According to the information & explanations given to us, Company is regular in depositing undisputed statutory dues including Income-tax, Goods & Service Tax, cess and any other statutory dues with appropriate authority.

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- No such undisputed dues were outstanding as at the last day of financial year for a period of more than six months from due date.
- No such dues of Income-tax, Goods & Service Tax, Custom Duty were outstanding on account of any dispute pending with any forum.

8. **Defaults in repayment**–

The Company has no dues to a Bank or financial institution or debenture holders. Hence it is not necessary to report the period & amount of such default.

9. **Utilization of funds**–

- The Company has not raised funds by way of IPO or any Public offer (including Debt instrument).
- The company has not raised funds by way of term loans.

10. **Fraud**–

- No fraud by the company or on the company by its officers or employees has been noticed or reported during the year. Hence our comments on the nature of fraud and the amount involved are not required.

11. **Managerial remuneration** –

- The managerial remuneration has not been paid or provided during the year. Hence our comments regarding requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013 are not required.

12. **Nidhi company –**

- The Company is not a Nidhi Company & hence our comments related to Nidhi Company are not attracted.

13. **Related party transactions** –

- All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and
- The details have been disclosed in the Financial Statements by the way of Note No.23 as per Ind AS-24.

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14. **Preferential allotment & private placement** –

- The company has not made any private placement or preferential allotment of shares or fully or partly convertible debentures during the year under review.
- Our comments on compliance with the provisions of section 42 of Companies Act, 2013 are not attracted.
- Our comments on the application of amount raised are not attracted.

15. **Non-cash transactions with Directors** –

- The company has not entered into any non-cash transactions with directors or persons connected with him.
- Our comments on compliance with the provisions of section 192 of Companies Act, 2013 are not attracted.

16. **Registration with RBI** –

- Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and hence, the registration has not been obtained.

For HMA & Associates
Chartered Accountants
FRN – 100537W

HMA & ASSOCIATES PUNE Chartered Accountants

CA Anand D. Joshi
Partner
Membership No. - 113805
UDIN : 21113805AAAAGM8822

Place : Pune
Date : 20th May 2021

HMA & ASSOCIATES
Chartered Accountants

Head Off.: 1, Runwal Pratishtha, 1202/27, Shivajinagar, Apte Road, Behind Santosh Bakery, Pune 411 004.
Telefax : +91 20 2553 6110 Email : ho@hmaca.in **www.hmaca.in**
Branch Offices : PUNE, THANE

ANNEXURE 2

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT of Even Date on the standalone Ind AS Financial Statements of ISHANYA BRAND SERVICES LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Ishanya Brand Services Limited as of March 31, 2021 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain

HMA & ASSOCIATES ★ Chartered Accountants ★ PUNE reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For HMA & Associates
Chartered Accountants
FRN - 100537W

HMA & ASSOCIATES PUNE Chartered Accountants

CA Anand D. Joshi
Partner
Membership No. - 113805
UDIN : 21113805AAAAGM8822

Place : Pune
Date : 20th May 2021

ISHANYA BRAND SERVICES LIMITED
CIN - U74900PN2008PLC131967

Balance Sheet as at 31st March 2021
(All Amounts in Rs unless otherwise stated)

	Notes	31 March 2021	31 March 2020
ASSETS			
Non Current Assets			
Deferred tax assets (net)	1	53,08,530	15,24,821
Other non-current assets	2	10,000	10,000
Total non-current assets		**53,18,530**	**15,34,821**
Current assets			
Inventories	3	2,11,00,178	2,46,31,939
Financial Assets			
i. Trade Receivables	4	0	2,60,481
ii. Cash and cash equivalents	5	1,58,38,054	1,12,97,373
Other current assets	6	42,90,478	39,52,937
Total Current Assets		**4,12,28,710**	**4,01,42,730**
Total Assets		**4,65,47,240**	**4,16,77,551**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	7	4,10,00,000	10,00,000
Other equity	8	-1,56,92,779	-45,58,836
Total Equity		**2,53,07,221**	**-35,58,836**
LIABILITIES			
Non Current Liabilities			
Current Liabilities			
Financial liabilities			
i. Trade payables	9		
a) total outstanding dues of micro and small enterprises		156	14,160
b) total outstanding dues of creditors other than micro and small enterprises		1,21,62,986	4,03,87,055
ii. Other financial liabilities	10	2,00,000	2,00,000
Provisions	11	33,87,126	7,89,865
Other current liabilities	12	54,89,752	38,45,308
Current Liabilities		**2,12,40,020**	**4,52,36,388**
Total Liabilities		**2,12,40,020**	**4,52,36,388**
Total Equity and Liabilities		**4,65,47,240**	**4,16,77,551**

Summary of significant Accounting Policies — 27

The accompanying notes are integral part of the financial statements — 1-26

As per our report of even date
For HMA & Associates
Chartered Accountants
Firm's Registration No. 100537W

HMA & ASSOCIATES ★ Chartered Accountants ★ PUNE

Anand D. Joshi
Partner
Membership No. 113805
Place : Pune
Date : 20th May 2021

For and on behalf of the Board of Directors

S C Mehta

S. C. Mehta
Director
DIN 00128204
Place : Pune
Date : 20th May 2021

Amitabh Bhargava

A. Bhargava
Director
DIN 00109596

ISHANYA BRAND SERVICES LIMITED ★ PUNE

ISHANYA BRAND SERVICES LIMITED
CIN - U74900PN2008PLC131967

Statement of Profit and Loss for the year ended 31st March, 2021
(All Amounts in Rs unless otherwise stated)

	Notes	Year Ended 31st March 2021	Year ended 31st March 2020
Continuing operations			
Revenue from operations	13	3,44,48,638	5,47,29,752
Other income	14	4,77,657	54,583
Total income		**3,49,26,295**	**5,47,84,335**
Expenses			
Cost of materials Sold			
Purchases of stock-in-trade	15	1,94,72,467	5,77,62,593
Changes in inventories of stock-in-trade and finished goods	16	35,31,761	-2,46,31,939
Employee Benefit Expenses		0	
Finance costs	17	5,42,391	7,36,310
Depreciation and amortisation expense			
Other expenses	18	2,62,97,328	2,68,96,894
Total expenses		**4,98,43,947**	**6,07,63,858**
Profit before tax from continuing operations		**-1,49,17,652**	**-59,79,523**
Income tax expense			
- Current tax		0	0
- Deferred tax	19	-37,83,709	-15,24,821
Total tax expense		**-37,83,709**	**-15,24,821**
Profit from continuing operations		**-1,11,33,943**	**-44,54,702**
Other comprehensive income		-	-
Total comprehensive income for the year		**-1,11,33,943**	**-44,54,702**
Earning per Equity Share: Face value Rs. 10 each (Rs. 10)			
Basic earnings per share (In Rs.)		(2.72)	(44.55)
Diluted earnings per share (In Rs.)		(2.72)	(44.55)

Summary of significant Accounting Policies 27

The accompanying notes are integral part of the financial statements 1-26

As per our report of even date
For HMA & Associates
Chartered Accountants
Firm's Registration No. 100537W

HMA & ASSOCIATES PUNE Chartered Accountants

Anand D. Joshi
Partner
Membership No. 113805
Place : Pune
Date : 20th May 2021

For and on behalf of the Board of Directors

S. C. Mehta
Director
DIN 00128204
Place : Pune
Date : 20th May 2021

A. Bhargava
Director
DIN 00109596

ISHANYA BRAND SERVICES LIMITED PUNE

ISHANYA BRAND SERVICES LIMITED
CIN - U74900PN2008PLC131967

Statement of Cash Flows for the year ended 31 March 2021
(All Amounts in Rs unless otherwise stated)

	31 March 2021	31 March 2020
Cash flow from operating activities		
Profit before tax as per statement of profit and loss	(1,49,17,652)	(59,79,523)
Adjustments for		
Depreciation and amortisation expense	-	-
Gain on sale of investments	-	-
Changes in fair value of financial assets at fair value through profit or loss	-	-
Finance costs	5,42,391	7,36,310
Interest Income	57,657	54,583
Cash generated from operations before working capital		
(Increase)/Decrease in Inventory	35,31,761	(2,46,31,939)
(Increase)/Decrease in trade receivables	2,60,481	(2,60,481)
Increase/(Decrease) in trade payables	(2,82,38,073)	4,11,73,740
(Increase) in financial assets - Loan	-	-
(Increase) in other financial assets - Non Current	-	-
(Increase)/decrease in other non-current assets	-	(10,000)
(Increase)/decrease in other current assets	(3,37,541)	(39,39,449)
Increase/(decrease) in provisions	25,97,261	-
Increase/(decrease) in other financial liabilities	-	
Increase/(Decrease) in other current liabilities	16,44,444	40,45,308
Cash generated from operations	**(3,48,59,271)**	**1,11,88,549**
Less - Income taxes paid	-	
Net cash inflow from operating activities	**(3,48,59,271)**	**1,11,88,549**
Cash flows from investing activities		
Purchase of property, plant and equipment, Intangible assets		-
Acquisition of Investment (Net)	-	-
Proceeds from sale of Investment (Net)	-	-
Profit on sale of investment	-	-
Interest received	(57,657)	(54,583)
Net cash outflow from investing activities	**(57,657)**	**(54,583)**
Cash flows from financing activities		
Proceeds from borrowings - Current	-	-
Proceeds from issue of Equity Share Capital	4,00,00,000	-
Repayment of Short Term Loan - Current	-	-
Finance costs	(5,42,391)	(7,36,310)
Net cash inflow (outflow) from financing activities	**3,94,57,609**	**(7,36,310)**
Net increase (decrease) in cash and cash equivalents	45,40,681	1,03,97,656
Cash and cash equivalents at the beginning of the financial year	1,12,97,373	8,99,717
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the year	**1,58,38,054**	**1,12,97,373**

Cash and cash equivalents as per above comprise of the following	**31 March 2021**	**31 March 2020**
Cash and cash equivalents (Including Bank Balances)	1,58,38,054	1,12,97,373
Bank overdrafts	-	-
Balances per statement of cash flows	**1,58,38,054**	**1,12,97,373**

The accompanying notes form an integral part of the financial statements.

The above statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, "Statement of Cash Flows"

As per our report of even date
For HMA & Associates
Chartered Accountants
Firm's Registration No. 100537W

For and on behalf of the Board of Directors

HMA & ASSOCIATES PUNE Chartered Accountants

ISHANYA BRAND SERVICES LIMITED PUNE

Anand D. Joshi
Partner
Membership No. 113805
Place : Pune
Date : 20th May 2021

S. C. Mehta
Director
DIN 00128204
Place : Pune
Date : 20th May 2021

A. Bhargava
Director
DIN 00109596

ISHANYA BRAND SERVICES LIMITED
CIN - U74900PN2008PLC131967

Statement of Changes in Equity for the year ended 31 March 2021
(All Amounts in Rs unless otherwise stated)

A. EQUITY SHARE CAPITAL

	31 March 2021	31 March 2020
Balance at the beginning of the year	10,00,000	10,00,000
Changes in Equity Share Capital during the year	4,00,00,000	-
Balance at the end of the year	**4,10,00,000**	**10,00,000**

B. OTHER EQUITY

	Reserves and surplus	
	Retained earnings	General Reserve
Balance at 01st April, 2017	**(1,70,930)**	-
Profit for the year	27,886	-
Other comprehensive income		
Add: MAT Credit entitlement	809	-
Total comprehensive income for the year	**28,695**	-
Balance at 31 March, 2018	**(1,42,235)**	-
Profit for the year	25,468	-
Other comprehensive income	-	-
Add:- MAT credit entitlement	6,565	-
Total comprehensive income for the year	**32,033**	-
Balance at 31 March, 2019	**(1,10,202)**	-
Profit for the year	**(44,54,702)**	-
Other comprehensive income	-	-
Add:- MAT credit entitlement	**6,068**	-
Total comprehensive income for the year	**(44,48,634)**	-
Balance at 31 March, 2020	**(45,58,836)**	-
Profit for the year	**(1,11,33,943)**	-
Other comprehensive income	-	-
Add:- MAT credit entitlement	-	-
Total comprehensive income for the year	**(1,11,33,943)**	-
Balance at 31 March, 2021	**(1,56,92,779)**	-

Note (1) Refer note 8 for nature and purpose of other equity.
The accompanying notes form an integral part of the financial statements

As per our report of even date
For HMA & Associates
Chartered Accountants
Firm's Registration No. 100537W

HMA & ASSOCIATES ★ Chartered Accountants ★ PUNE

Anand D. Joshi
Partner
Membership No. 113805
Place : Pune
Date : 20th May 2021

For and on behalf of the Board of Directors

S C Mehta

S. C. Mehta
Director
DIN 00128204
Place : Pune
Date : 20th May 2021

Anubh Bhargava

A. Bhargava
Director
DIN 00109596

ISHANYA BRAND SERVICES LTD. PUNE

ISHANYA BRAND SERVICES LIMITED
CIN - U74900PN2008PLC131967

(All Amounts in Rs unless otherwise stated)

Note 1: DEFERRED TAX ASSETS (NET)
Movements during the year ended 31 March 2021

Particulars	1 April 2020	Credit/(Change) in the statement of Profit and Loss	Credit/(Change) in the statement of Other Comprehensive Income	31 March 2021
Property, plant and equipment and investment property	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-
Business losses comprising Unabsorbed tax depreciation	15,24,821	37,83,709	-	53,08,530
Net deferred tax Assets	**15,24,821**	**37,83,709**	**-**	**53,08,530**

Movements during the year ended 31 March 2020:

Particulars	1 April 2019	Credit/(Change) in the statement of Profit and Loss	Credit/(Change) in the statement of Other Comprehensive Income	31 March 2020
Property, plant and equipment and investment property	-	-	-	-
Financial assets at fair value through profit or loss	-	-	-	-
Business losses comprising Unabsorbed tax depreciation	20,531	15,04,290	-	15,24,821
Net deferred tax Assets	**20,531**	**15,04,290**	**-**	**15,24,821**

Note 2: OTHER NON-CURRENT ASSETS

Particulars	31 March 2021	31 March 2020
Advances other than capital advances		
Security Deposits	10,000	10,000
Total	10,000	10,000

Note 3: INVENTORIES

Particulars	31 March 2021	31 March 2020
Stock-in-trade	2,11,00,178	2,46,31,939
Total	**2,11,00,178**	**2,46,31,939**

Note 4: Trade Receivables

Particulars	31 March 2021	31 March 2020
Considered good - Secured	-	
Considered good - Unsecured	-	2,60,481
Receivables which have significant increase in credit ri	-	
Less- Credit Impaired	-	
Total	-	**2,60,481**

Note 5: CASH AND CASH EQUIVALENTS

Particulars	31 March 2021	31 March 2020
Cash on hand	427	12,258
Balances with banks		
- in current accounts	1,50,79,945	1,05,27,433
-Short term Bank deposit	7,57,682	7,57,682
Total cash and cash equivalents	**1,58,38,054**	**1,12,97,373**

Note 6: Other Current Assets

Particulars	31 March 2021	31 March 2020
GST Input Credit	39,10,623	38,08,612
Advance against Expenses	20,839	48,550
Tax Deducted at Source	2,14,287	23,514
Accrued Interest	92,545	50,000
Prepaid expenses	38,742	8,819
MAT Credit Entitlement	13,442	13,442
Total	**42,90,478**	**39,52,937**

ISHANYA BRAND SERVICES LIMITED PUNE

ISHANYA BRAND SERVICES LIMITED
CIN - U74900PN2008PLC131967

(All Amounts in Rs unless otherwise stated)

Note 7: SHARE CAPITAL

Particulars	31 March 2021	31 March 2020
Authorized		
51,00,000 Equity Shares of Rs 10/- (31 March 2020 : 51,00,000 equity shares of Rs 10/- each)	5,10,00,000	5,10,00,000
Issued, Subscribed & Paid up	-	-
41,00,000 Equity Shares of Rs 10/- each fully paid (31 March 2020 : 1,00,000 equity shares of Rs 10/- each)	4,10,00,000	1,00,000
As at 31 March 2019	**4,10,00,000**	**1,00,000**

i) Reconciliation of the number of Equity shares

	31 March 2021		31 March 2020	
Equity Shares	**Number of shares**	**Amount**	**Number of shares**	**Amount**
Balance at the beginning of the year	1,00,000	10,00,000	1,00,000	10,00,000
Add : Issued during the year	40,00,000	4,00,00,000	-	-
Closing Balance	**41,00,000**	**4,10,00,000**	**1,00,000**	**10,00,000**

Terms and rights attached to equity shares

The Company has only one class of issued Equity Shares having at par value of Rs.10 per share. Each holder of Equity Shares is entitled to one vote per share.

The Company declares and pays dividend in Indian Rupees. The dividend is proposed by the Board of Directors is subject to the approval of shareholders in the ensuring Annual General Meeting.

In the event of liquidation of the Company the holder of Equity Share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

(ii) Details of shareholders holding more than 5% shares in the company

	31 March 2021		31 March 2020	
	Number of shares	**% Holding**	**Number of shares**	**% Holding**
Deepak Fertilisers & Petrochemicals Corporation Limited.	40,99,994	100.00%	74,995	75.00%
Mrs. Parul S. Mehta	-	0.00%	25,001	25.00%

ISHANYA BRAND SERVICES LIMITED PUNE

ISHANYA BRAND SERVICES LIMITED
CIN - U74900PN2008PLC131967

(All Amounts in Rs unless otherwise stated)

Note 8: Other Equity

	31 March 2021	31 March 2020
General Reserve	-	-
Retained earnings	(1,56,92,779)	(45,58,836)
Total reserves and surplus	**(1,56,92,779)**	**(45,58,836)**

(i) General Reserve

	31 March 2021	31 March 2020
Opening Balance	-	
Add:- Transfer during the year from Retained Earning	-	-
Closing Balance	**-**	**-**

(ii) Retained earnings

	31 March 2021	31 March 2020
Opening balance	(45,58,836)	(1,10,202)
Net profit for the year	(1,11,33,943)	(44,54,702)
Add: - MAT Credit Entitlement	-	6,068
Closing Balance	**(1,56,92,779)**	**(45,58,836.36)**

Nature and purpose of other equity

General reserve: This represents appropriation of profits by the Company and is available for distribution of dividend.

Retained earnings: Retained earnings are the profits that the Company has earned till date, less any transfers to general reserve, dividends or other distributions paid to shareholders.

ISHANYA BRAND SERVICES LIMITED ★ PUNE

ISHANYA BRAND SERVICES LIMITED
CIN - U74900PN2008PLC131967

(All Amounts in Rs unless otherwise stated)

Note 9: Financial Liabilities - Trade Payables

Particulars	31 March 2021	31 March 2020
Current		
Trade Payables		
Due to Micro, Small & Medium Enterprises	156	14,160
Due to Others	1,21,62,986	4,03,87,055
Total	**1,21,63,142**	**4,04,01,215**

Dues to Micro, small & medium enterprises

Particulars	31 March 2021	31 March 2020
Principal amount due at year end	-	14,160
Interest provided but not paid at year end on above	156	2,656
Interest due on principal amount already paid	-	-
Delayed Principal amount paid during the year	-	-
Interest paid on delayed principal payment	-	-

Note 10: Other financial liabilities

Particulars	31 March 2021	31 March 2020
Provision For Expenses	33,87,126	7,89,865
Total	**33,87,126**	**7,89,865**

Note 11: Other financial liabilities

Particulars	31 March 2021	31 March 2020
Security Deposit	2,00,000	2,00,000
Total	**2,00,000**	**2,00,000**

Note 12: Other current liabilities

Particulars	31 March 2021	31 March 2020
Tax deducted at Source Payables	26,662	1,42,348
Advance from Customers	54,63,090	37,02,960
Total	**54,89,752**	**38,45,308**

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(All Amounts in Rs unless otherwise stated)

Note 13: Revenue from Operations

Particulars	31 March 2021	31 March 2020
Sale of products		
Stock-in-trade	3,44,48,638	5,47,29,752
Other operating revenues	-	-
Total	**3,44,48,638**	**5,47,29,752**

Note 14: Other income

Particulars	31 March 2021	31 March 2020
Interest income from Financial Assets	57,657	54,583
Other non-operating income	4,20,000	-
Total	**4,77,657**	**54,583**

Note 15: Purchase of stock-in-trade

Particulars	31 March 2021	31 March 2020
Purchases during the year	1,94,72,467	5,77,62,593
Total	**1,94,72,467**	**5,77,62,593**

Note 16: Changes in inventories of stock-in-trade and finished goods

Particulars	31 March 2021	31 March 2020
Opening balance		
Stock- in trade	2,46,31,939	-
Total opening balance	2,46,31,939	-
Closing balance		
Stock- in trade	2,11,00,178	2,46,31,939
Total closing balance	2,11,00,178	2,46,31,939
(Increase)/ decrease in excise duty on stock of finished goods		
Total changes in inventories of work-in-progress, stock-in-trade and finished goods	35,31,761	(2,46,31,939)

Note 17: Finance Costs

Particulars	31 March 2021	31 March 2020
Bank and Credit Card Charges	2,30,214	3,30,075
Finance Charges	2,39,155	4,03,579
Interest Expenses	73,022	2,656
Total	**5,42,391**	**7,36,310**

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ISHANYA BRAND SERVICES LIMITED
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(All Amounts in Rs unless otherwise stated)

Note 18: Other expenses

Particulars	31 March 2021	31 March 2020
Annual Custody Fees-NSDL	5,83,400	21,633
Payment to Auditors (see note below)	1,00,000	1,00,000
Commission-Sales	2,02,209	2,15,563
Conveyence Expenses	24,723	97,749
E.D.P. Expenses	30,000	51,200
Electricity Expenses	43,82,675	74,17,272
Fiiling & Legal Fees	29,375	2,900
General Expenses	59,887	1,42,238
Rates and Taxes	89,614	-
Insurance	63,057	12,556
Legal & Professional Fees	7,49,801	26,340
Loading & Unloading Charges	2,18,649	1,23,300
Packing Expenses	2,11,044	6,21,052
Promotional Expenses	33,37,446	-
Rent	94,25,834	1,02,31,200
Repairs & Maintanance	4,76,828	65,802
Staff Welfare	12,293	17,671
Labour Charges	55,87,139	69,99,626
Transport Charges	7,13,354	7,50,792
Total	**2,62,97,328**	**2,68,96,894**

Note 18(a): Payment to Auditors

Particulars	31 March 2021	31 March 2020
Payment to Auditors		
As Auditor:		
Audit fee		
- Statutoty Audit Fees	75,000	75,000
- Tax Audit Fees	25,000	25,000
Total	**1,00,000**	**1,00,000**

Note 19: Income Taxes

A. Components of Income Tax Expenses	31 March 2021	31 March 2020
I. Tax expense recognised in the statement of profit and loss		
Current Year	-	-
Adjustments/(credits) related to previous year - (net)	-	-
Total (A)	-	-
Deferred tax charge/(credit)	(37,83,709)	(15,24,821)
Total (B)	**(37,83,709)**	**(15,24,821)**
Total (A+B)	**(37,83,709)**	**(15,24,821)**
II. Tax on Other Comprehensive Income	-	-
Deferred Tax		
(Gain)/Loss on remeasurement of net defined benefit pla	-	-
(Gain)/Loss on debt instruments through other comprehensive income	-	-
Total	-	-

Reconciliation of tax expense and accounting profit multiplied by India's domestic tax

Particulars	31 March 2021	31 March 2020
Accounting profit before tax	(1,49,17,652)	(59,79,523)
At India's statutory income tax rate of 26% (31 March 2020 - 26%) (A)	-	-
Effects of income not subject to tax		
Dividend income	-	-
Effects of non-deductible business expenses	-	-
Reversal of earlier year tax provision	-	-
Others	-	-
Total (B)	-	-
Income Tax expense reported in the statement of profit or loss (A+B)	-	-

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ISHANYA BRAND SERVICES LIMITED
CIN - U74900PN2008PLC131967

(All Amounts in Rs unless otherwise stated)
Note 20: Fair value measurements
Financial instruments by category

	31 March 2021			31 March 2020		
	FVPL	**FVOCI**	**Amortised cost**	**FVPL**	**FVOCI**	**Amortised cost**
Financial assets						
Investments						
- Equity instruments, investments in subsidiaries, joint ventures	-	-	-	-	-	-
- Equity instruments at fair value	-	-	-	-	-	-
- Bonds and debentures						
- Mutual funds	-	-	-	-	-	-
- Government securities		-			-	
Trade receivables	-	-	-	-	-	2,60,481
Loans	-	-	-	-	-	-
Cash and cash equivalents	-	-	1,58,38,054	-	-	1,12,97,373
Other bank balances	-	-	-	-	-	-
Foreign exchange forward contracts/options	-	-	-	-	-	
Security deposits		-	-		-	-
Other financial assets	-	-	-	-	-	-
Total financial assets	**-**	**-**	**1,58,38,054**	**-**	**-**	**1,15,57,854**
Financial liabilities						
Borrowings	-	-	-	-	-	-
Derivative financial liabilities, not designated as hedges	-	-		-	-	
Trade payables	-	-	1,21,63,142	-	-	4,04,01,215
Other financial liabilities	-	-	2,00,000	-	-	2,00,000
Derivative financial liabilities, designated as hedges	-	-	-	-	-	-
Total financial liabilities	**-**	**-**	**1,23,63,142**	**-**	**-**	**4,06,01,215**

ISHANYA BRAND SERVICES LIMITED ★ PUNE

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CIN - U74900PN2008PLC131967

Note 21: Financial risk management
Risk management framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company, through three layers of defense namely policies and SOP, review mechanism and assurance aims to maintain a disciplined and constructive control environment. The management of the company oversee the formulation and implementation of the Risk management policies. The risk are identified at business unit level and mitigation plans are identified, deliberated and reviewed at appropriate forums.

The Company has exposure to the following risks arising from financial instruments:
- credit risk;
- liquidity risk;
- market risk.

i. Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counter party to a financial The carrying amount of financial assets represents the maximum credit risk exposure.

Trade receivables and other financial assets
The Company has established a credit policy under which each new customer is analysed individually for creditworthiness before the payment and delivery terms and conditions are offered. The Company's review includes external ratings, if they are available, financial statements, credit agency information, industry information and business intelligence. Sale limits are established for each customer and reviewed annually. Any sales exceeding those limits require approval from the appropriate authority as per policy.

In monitoring customer credit risk, customers are grouped according to their credit characteristics, including whether they are an individual or a legal entity, whether they are a institutional, dealers or end-user customer, their geographic location, industry, trade history with the Company and existence of previous financial difficulties.

Expected credit loss for trade receivables:
The Company based on internal assessment which is driven by the historical experience/ current facts available in relation to default and delays in collection thereof, the credit risk for trade receivables is considered low. The Company estimates its allowance for trade receivable using lifetime expected credit loss.The expected credit loss as at 31 March 2021 is NIL.(31 March 2020: NIL)

Expected credit loss on financial assets other than trade receivables:
The company does not have any financial assets other than trade receivables and cash and cash equivalents.

ISHANYA BRAND SERVICES LIMITED
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ii. Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, treasury maintains , moniters working capital and cashflows to manage the liquidity.

Management monitors rolling forecasts of the Company's liquidity position (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows. These limits vary by location to take into account the liquidity of the market in which the entity operates. In addition, the Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

Liquidity risk is the risk that the Company will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's treasury department is responsible for managing the short term and long term liquidity requirements. Short term liquidity situation is reviewed daily by treasury. Longer term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

(i) Financing Arrangements
The company has not entered into any financial arrangements

Exposure to liquidity risk
The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include contractual interest payments.

31 March 2021	**Carrying Amount**	**Payable within 1 year**	**Between 1 and 5 years**
Non-derivatives financial liabilities			
Borrowings	-	-	-
Obligations under finance lease			
Trade payables	1,21,63,142	1,21,63,142	-
Interest accrued			
Security deposits			
Other financial liabilities	2,00,000	2,00,000	-
Total non-derivative liabilities	**1,23,63,142**	**1,23,63,142**	-
Derivatives financial liabilities			
Foreign exchange forward contracts	-	-	-
Borrowings	-	-	-
Trade payables	-	-	-
Total derivative liabilities	-	-	-

31 March 2020	**Carrying Amount**	**Payable within 1 year**	**Between 1 and 5 years**
Non-derivatives			
Borrowings	-	-	-
Obligations under finance lease			
Trade payables	4,04,01,215	4,04,01,215	-
Interest accrued		-	
Security deposits		-	
Other financial liabilities	2,00,000	2,00,000	-
Total non-derivative liabilities	**4,06,01,215**	**4,06,01,215**	-
Derivatives financial liabilities			
Foreign exchange contract used for hedging			
- Borrowings			
- Trade payables			
Total derivative liabilities	-	-	-

ISHANYA BRAND SERVICES LIMITED PUNE

iii. Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates that will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Currency risk
The company does not deal in foreign exchange transactions hence the company does not have currency risk.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.The company does not have any borrowings during the year hence, company does not have interest rate risk.

Note 22. Capital Management

(a) Risk Management
The Company's objectives when managing capital are to: safeguard its ability to continue as a going concern, so that its can continue to provide returns for its shareholders and benefits for other stakeholders, and maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.
Consistent with others in the industry, the Company monitors capital on the basis of the following gearing ratio:

Net debt (total borrowings net of cash and cash equivalents and other bank balances) and divided by Total 'equity' (as shown in the Balance Sheet).
The gearing ratios were as follows:

	31 March 2021	**31 March 2020**
Net debt (net of cash and cash equivalents)	-	-
Total equity	4,10,00,000	10,00,000
Net debt to equity ratio	-	-

ISHANYA BRAND SERVICES LIMITED PUNE

ISHANYA BRAND SERVICES LIMITED
CIN - U74900PN2008PLC131967

Note 23: Related Party transactions
Names of the related parties and relationships

A. HOLDING COMPANY
Deepak Fertilisers and Petrochemicals Corporation Limited

B. Key Management Personnel
1 Amitabh Bhargava
2 Sailesh Chimanlal Mehta
3 Parul Sailesh Shah
4 Krishnan Subharaman

		31 March 2021			31 March 2020		
Sr. No.	**Nature of Transactions**	**Holding Entity**	**Key Management Personnel**	**Total**	**Holding Entity**	**Key Management Personnel**	**Total**
1	**Sale of goods/Services** Deepak Fertilisers and Petrochemicals Corporation Limited	-	-	-	-	-	-
2	**Purchase of Goods** Deepak Fertilisers and Petrochemicals Corporation Limited	1,40,48,820		1,40,48,820	4,38,20,370		4,38,20,370
3	**Rent Paid** Deepak Fertilisers and Petrochemicals Corporation Limited	94,25,834		94,25,834	1,02,31,200		1,02,31,200
4	**Reimbursement of Expenses** Deepak Fertilisers and Petrochemicals Corporation Limited	41,97,648		41,97,648	68,56,724		68,56,724
	Amount outstanding						
1	**Trade Payables** Deepak Fertilisers and Petrochemicals Corporation Limited	80,22,452		80,22,452	3,49,40,892		3,49,40,892
2	**Trade Receivables** Deepak Fertilisers and Petrochemicals Corporation Limited			-	-	-	-

Note: Figures in bracket are outflows
All transaction are in ordinary course and on an arm's length basis

Note 24: Contingent Liabilities Commitments - Nil

ISHANYA BRAND SERVICES LIMITED ★ PUNE

ISHANYA BRAND SERVICES LIMITED
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Note 25: The Company is engaged in single business, which in the context of Indian Accounting Standard 108 'Segment Information' represents single reportable business segment.

Note 26: Previous year figures have been regrouped wherever necessary, to correspond with the current period's classification / disclosure.

As per our report of even date attached

As per our report of even date	**For and on behalf of the Board of Directors**	
For HMA & Associates		
Chartered Accountants		
Firm's Registration No. 100537W		
Anand D. Joshi	**S. C. Mehta**	**A. Bhargava**
Partner	**Director**	**Director**
Membership No. 113805	**DIN 00128204**	**DIN 00109596**
Place : Pune	**Place : Pune**	
Date : 20th May 2021	**Date : 20th May 2021**	

1. CORPORATE INFORMATION

Ishanya Brand Services Limited (the Company) was incorporated on 8th May 2008. The Company is engaged in the retail trading of furniture, furnishings and Home Décor items, Design n Built services. The Company has its registered office at Sai Hira, Survey No. 93, Mundhwa, Pune 411036.

2. SIGNIFICANT ACCOUNTING POLICIES

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of Preparation: -

The Standalone financial statements of the company have been prepared in accordance with Indian Accounting Standards ('Ind AS') notified under the companies (Indian Accounting Standards) Rule, 2015 notified under section 133 of the Companies Act, 2013("the Act"), as amended thereafter and other relevant provision of the act.

The Standalone financial statements have been prepared on an accrual basis and under the historical cost convention, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments.
- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instrument)

The Standalone financial statements are presented in Indian Rupees ("INR"), which is also company's functional currency.

b) Significant accounting estimates, assumptions and judgements

The preparation of the Standalone financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities effected in future periods.

c) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, are described below. The Company has based its assumptions and estimates on parameters available when the Standalone financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

d) Taxes

There are many transaction and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. Where the final outcome of these matters is different from the amounts initially recorded, such differences will impact the current and deferred tax provision in the period in which the tax determination is made. The assessment of provability involves estimation of a number of factors including future taxable income.

e) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the Discounted Cash flow (“DCF”) model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing their fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair values of financial instruments.

f) Impairment of financial assets

The Company assesses impairment based on the expected credit loss (“ECL”) model on trade receivables. The Company uses a provision matrix to determine impairment loss allowance on the portfolio of trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

g) Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cash flows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators.

h) Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/ non-current classification.

An asset is treated as current when:

- It is expected to be realised or intended to be sold or consumed in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is expected to be realised within twelve months after the reporting period; or
- It is a cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Company classifies all other assets as noncurrent.

A liability is current when:

- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as noncurrent.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle for the purpose of current non-current classification of assets and liabilities.

i) Revenue Recognition

Ind AS 115 specifies a uniform, five-step model for revenue recognition, which is generally to be applied to all contracts with customers.

Sale of Goods:

The Company recognizes revenue from sale of goods measured at the fair value of the consideration received or receivable, upon satisfaction of performance obligation which is at a point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Depending on the terms of the contract, which differs from contract to contract, the goods are sold on a reasonable credit term. As per the terms of the contract, consideration that is variable, according to Ind AS 115, is estimated at contract inception and updated thereafter at each reporting date or until crystallization of the amount.

Sale of Services:

Sale of services are recognized on satisfaction of performance obligation towards rendering of such services.

Interest and dividend income:

Interest Income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable and dividend income from investments in shares is recognized when the owner’s right to receive the payment is established.

j) Property, plant and equipment

The Company has not invested in Property, Plant and equipment.

k) Intangible assets

The Company has not invested in Intangible Assets.

l) Financial instruments

A Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets: Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

• Debt instruments at amortised cost

• Debt instruments at fair value through other comprehensive income (FVOCI)

• Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVPL)

• Equity instruments measured at fair value through other comprehensive income (FVOCI)

Equity investments

All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by-instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVOCI, then all fair value changes on the instrument, excluding dividends, are recognised in the OCI. There is no recycling of the amounts from OCI to the Statement of Profit and Loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVPL category are measured at fair value with all changes recognised in the Statement of Profit and Loss.

Impairment of financial assets

The Company recognizes loss allowance using the expected credit loss (ECL) model for the financial assets which are not fair valued through profit or loss. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime ECL. For all financial assets with contractual cash flows other than trade receivable, ECLs are measured at an amount equal to the 12-month ECL, unless there has been a significant increase in credit risk from initial recognition in which case those are measured at lifetime ECL. The amount of ECLs (or reversal) that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised as an impairment gain or loss in the Statement of Profit and Loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized when;

• The rights to receive cash flows from the asset have expired, or

• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Financial liabilities

Financial liabilities are classified and measured at amortised cost or FVPL. A financial liability is classified as at FVPL if it is classified as held for trading, or it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVPL are measured at fair value and net gains and losses, including any interest expense, are recognised in Statement of Profit and Loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in Statement of Profit and Loss. Any gain or loss on derecognition is also recognized in Statement of Profit and Loss.

Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

Derivative financial instruments

The Company uses various types of derivative financial instruments to hedge its currency and interest risk etc. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Balance Sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

m) Impairment of non-financial assets

The Company assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the assets' recoverable amount. An assets' recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset unless the asset does not generate cashflows that are largely independent of those from other assets or Company of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and it is written down to its recoverable amount. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risk specific to the asset. In determining fair value less cost of disposal, recent market transactions are taken in account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share price for publicly traded entities or other available fair value indicators. For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment loss no longer exist or has decreased. If such indication exists, the Company estimates the assets' or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the assets' recoverable amount, since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit and loss.

n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursements.

If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimates.

o) Employee benefit obligations

Employee benefits like provident fund, ESI, Gratuity & Bonus are not applicable to the company and hence no provision has been made in the accounts.

p) Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

q) Income taxes

Current income tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities in accordance with the Income Tax Act, 1961. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Current tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences except when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or in respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets on deductible temporary differences, the carry forward of unused tax credits and any unused tax losses are recognized to the extent that there is reasonably certainty that taxable profits will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized, except when the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become reasonably certain that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset or liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognized outside profit and loss is recognized outside profit and loss (either in other comprehensive income or in equity). Deferred tax items are recognized in correlation to the underlying transaction either in OCI or directly in equity.

r) Minimum Alternate Tax (MAT)

Minimum Alternate Tax paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credits which can be carried forward and utilized when the Company will pay normal income tax during the specified period. Deferred tax asset on such tax credit is recognized to the extent that it is probable that the unused tax credit can be utilized in the specified future period. The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

s) Leases

The Company has adopted Ind AS 116 effective from 1 April 2020 using the modified retrospective approach. For the purpose of preparation of standalone financial statements, management has evaluated the impact of change in accounting policies required due to adoption of lnd AS 116 for year ended 31 March 2021. Accordingly, the Company has not restated comparative information. There is no adjustment to the opening balance of retained earnings as on 1 April 2020.

The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a define period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified assets, the Company assesses whether: (i) the contact involves the use of an identified asset; (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

As a lessee, the Company recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right of use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. The estimated useful lives of right of use assets are determined on the same basis as those of property and equipment. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company’s incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments and lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is measured at amortised cost using the effective interest method. The Company has elected not to recognise right of use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

t) Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to the equity shareholders by the weighted average number of equity shares outstanding during the period. For the purposes of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.